

Notice of Public Information Meeting in Regards to the
Unified Funding Project for Fire Protection

Cape Fear Rural Fire Department

100 Johnson St. Broadway, NC

March 15, 2009

March 2, 2009

In regards to: The Unified Funding Project given to the county Fire Chief's from the Lee County Fire Advisory Board

Lee County Fire Advisory Board and Lee County Commissioners,

This letter is being written in response to the Unified Funding Project that was submitted by the Lee County Fire Advisory Board and the Lee County Fire Marshal to all Lee County Fire Chief's for review and feedback. The Board of Directors for the Cape Fear Fire Department has reviewed the above-mentioned project and has serious concerns that should be addressed for all rural fire departments in Lee County prior to any action being taken.

The Cape Fear Fire Department is a private, non-profit corporation incorporated in 1953 to provide fire protection to members of the Cape Fear Fire district. In 1983, the citizens of Lee Co. voted to approve a fire tax not to exceed \$.15/per \$100 valuation. The referendum granted Lee County the authority to create a special tax district to collect fire tax revenue. The fire tax revenue's purpose is to fund the operations and capital outlay required to maintain the best possible fire protection for members of the Cape Fear Fire tax district. The fire tax was to be levied and collected by the Lee County Tax Department on behalf of the volunteer fire departments and was to be reflective of the needs of the department as represented in the annual budgets submitted by the fire departments for review by the Lee County Board of Commissioners. Each fire department is required to advertise and hold a public hearing for the taxpayers within their district to review and answer questions regarding the proposed annual budgets.

Lee Co. has contracted with each volunteer fire department to provide fire protection for the citizens in each department's tax/fire district. The Town of Broadway joined the Cape Fear Rural Fire District by Resolution.

Upon review of the Unified Funding Project submitted to the Lee County Fire Chiefs. The Board of Directors of the Cape Fear Fire Department has the following questions and concerns about this project:

Concern: In regard to this project's recommendation that the county create a new fire service district area that would supersede the current fire tax district with the county assigning a standard tax rate across the service area instead of levying different tax rates based on the annual operating budget of each fire department:

1. What NC statute would allow the Lee County Board of Commissioners creates a new service area for providing fire protection without a vote of the county taxpayers?

1. Have the goals created by the Fire Advisory Board been met?
2. Why did each department not have representation on this Board?
3. How have the findings of the Tri-Data report been incorporated into the recommendations represented in the Unified Funding Project?

Concern: At no point in the Unified Funding Project does it mention the Lee County Fire Marshal's Office.

1. Will this department continue to be funded by fire tax dollars?
2. What impact will the Fire Marshal's budget have on the Unified Funding Project?

The Cape Fear Fire Department, a non-profit private corporation, does not support the recommendations stated in the Unified Funding Project to the Lee County Fire Chief's prepared by the Lee County Fire Advisory Board. It is the Cape Fear Fire Department Board's position that a flat tax rate, county wide, would impede the ability to provide the best fire protection possible at the most reasonable costs. We further believe the insurance costs savings or increases have not been adequately measured in cost justification for maintaining or achieving the best possible fire insurance rating. We further believe that the tax payers in the respective fire tax districts should be presented with ALL of the relevant information, both costs and cost savings, and be given the right to vote on the direction of fire protection in Lee County.

The Cape Fear Fire Department Board of Directors does not believe the Lee County Fire Advisory Board had adequate representation from the fire departments, members of the business community, and local taxpayers that stand to realize increased costs with higher taxes.

The fire departments in Lee County are currently undergoing or preparing to undergo review by the North Carolina Department of Insurance to determine the insurance rating for each department. Achieving the best possible rating is determined by a number of factors that are inherently different for each of the fire districts. Failure to maintain current insurance ratings will result in significant insurance premium increases for all residents in the rated district.

The Board of Directors for the Cape Fear Fire Department respectfully request response to the concerns/questions listed in this letter prior to March 15, 2009. We feel an obligation to our tax payers and insurance premium paying customers to make them aware of the negative impact the recommendations included in the Unified Funding Project as prepared by the Lee County Fire Advisory Board. We feel this project will negatively affect the financial impact of each department and that will result if capital needs and insurance ratings are not maintained or improved.

The Board of Directors of the Cape Fear Fire Department is currently reviewing options for communicating these concerns to the citizens of our fire district. Options under consideration include conducting a public hearing, contacting local newspapers, and contacting local and regional TV affiliates. We stand ready to assist the Lee County Fire Advisory Board in identifying a well researched and well thought out solution to the challenging environment that local fire departments face. Such a solution must take into account the Return on Investment that each taxpayer is getting on their fire protection dollar. Any solution must consider the requirements of each fire department in the entire county. We look forward to hearing your response.

Regards,
Cape Fear Fire Department Board of Directors